GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3360
ANSWERED ON:30.11.2010
CLOSURE OF KHADI SALES OUTLETS
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether some of the khadi sales outlets of the Khadi and Village Industries Commission (KVIC) have been closed down during the last three years;

(b) if so, the details thereof and the reasons therefor, State-wise;

(c) the steps taken to improve and modernise khadi products for better acceptability and popularity;and

(d) the steps taken by the Government to provide financial assistance to revive such outlets?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) & (b): Two central vastragars established by Khadi and Village Industries Commission (KVIC) at Ahmedabad (Gujarat) and Bhubaneswar (Odisha) which mainly used to cater to the needs of the smaller khadi institutions of the States for wholesale transactions, have been closed down by KVIC in the recent past. Over a period of time, new khadi institutions were formed which started similar production and sales activities which affected the demand of the smaller institutions from these two vastragars of KVIC. Besides, two Khadi Gromodyog Bhawans (KGBs) of KVIC at Bangaluru (Karnataka) and Bhopal (Madhya Pradesh) also closed down on account of being unviable on the basis of a study conducted by KVIC

(c): With a view to achieving increased acceptability and popularity of khadi and village industries (KVI) products through improved quality and packaging, the Government has been implementing, through the Khadi and Village Industries Commission (KVIC), a scheme named the Product Development, Design Intervention and Packaging (PRODIP) Scheme since 2003-04. The scheme helps khadi institutions and other units in improving quality of raw material, designs, packaging and increased value addition. Diversification of product line with the objective of increasing marketability is also possible under this scheme.

The Ministry of Micro, Small and Medium Enterprises has recently with the approval of Cabinet Committee on Economic Affairs, launched a set of reforms in the khadi sector. This includes a flexible growth stimulating and artisan-centric scheme of Market Development Assistance (MDA) on production of khadi and polyvastra which gives khadi institutions considerable scope to improve their production capability and marketing besides earmarking 20% of total MDA for providing incentives to spinners and weavers. The reforms agenda also includes a US$ 150 million programme named Khadi Reforms and Development Programme (KRDP) to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and achieve synergy with village industries. Under KRDP, special emphasis has been given to marketing by setting up a Marketing Organization (MO) through private participation, introduction of Public Private Partnership (PPP) in Central Sliver Plants (CSPs) of KVIC in a phased manner and design and popularize 'Khadi Mark' as a guarantee of genuine khadi.

Other steps taken by the KVIC for improvement of quality of khadi products include the following:

(i) Implementation of the Ready to Use Mission for Khadi Products` to convert khadi fabric into ready-made garments for higher value addition.

(ii) organising exhibitions at National/Zonal/District levels, and providing financial assistance to khadi institutions for participation in national and international exhibitions.

(iii) Mahatma Gandhi Institute for Rural Industrialisation (MGIRI) in association with IIT, New Delhi has developed a technology for natural dyeing of khadi fabrics by using locally available dyeing raw material, thus producing eco-friendly khadi.

(iv) A model of 'Mercerization' machine has also been developed by MGIRI, forbringing qualitative improvement in khadi cloth through uniformity in its texture. This process improves dimensional stability of khadi fabric, thus reducing customers` complaints about shrinkage and also improves colour absorption capacity of cloth.

(v) Under ISO 9001-2000 Certification, khadi institutions are motivated to achieve Total Quality Management, under which 51 units have secured ISO certificates so far.

(vi) The 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI)' is being implemented beginning 2005-06, inter alia, for developing 29 khadi clusters mostly having more than 500 traditional artisans per cluster, by providing them with improved equipment, common facility centres, business development services, training, capacity building, design, marketing support and arranging exposure visits etc., to make these activities competitive and sustainable.

(d): Seven khadi sales outlets have been targeted by KVIC for renovation during 2010-11 with the financial assistance of Rs.2.5 crore under the Scheme of Strengthening Infrastructure of Existing Weak khadi Institutions and Assistance for Marketing Infrastructure.